

November 02, 2021

To,
The Manager,
Listing & Compliance,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

Ref: Scrip Code - 506405

Sub: Investor Presentation for Q2FY22.

Dear Sir/Madam,

Pursuant to Regulation 30(6) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, we are enclosing herewith Investor Presentation on the Company's Financial Performance of Q2FY22.

The said presentation will also be made available at the website of the Company at www.dmcc.com

You are requested to kindly take the same on your record.

Thanking you,

For The Dharamsi Morarji Chemical Company Limited

Omkar Mhamunkar Company Secretary & Compliance Officer ICSI Membership No. ACS 26645

Encl: As Above

CIN NUMBER: L24110MH1919PLC000564

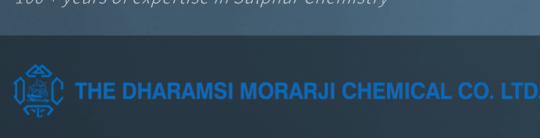
Q2FY22 EARNINGS PRESENTATION (November 2021)

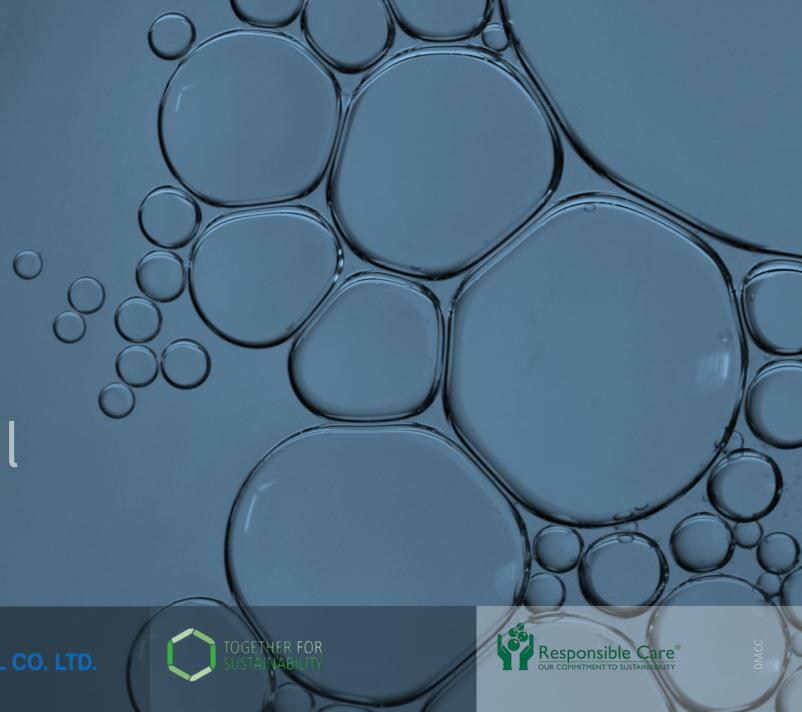
BSE – DHARAMSI | 506405

Bloomberg - DMCC:IN

The Dharamsi Morarji Chemical Co. Limited

100 + years of expertise in Sulphur Chemistry





Earnings Presentation

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Earnings Presentation Content

| QUARTERLY UPDATES |
|--------------------|
| MANAGEMENT REMARKS |
| UPDATES ON CAPEX |
| CONTACT US |

Inside the document

To view our **corporate film** Visit: https://bit.ly/3ePHS7S or Scan the QR code.



Financial Statement Summary

CONSOLIDATED P&L STATEMENT

Figures in INR Crores

| PARTICULARS | Q2 FY22 | Q1 FY22 | Q2 FY21 | H1 FY22 | H1 FY21 |
|-------------------------------|---------|---------|---------|---------|---------|
| Revenue from Operations | 72.53 | 70.65 | 49.77 | 143.18 | 88.93 |
| Total Income | 73.39 | 72.46 | 55.88 | 145.85 | 95.42 |
| Total Operating Expense | 65.46 | 59.67 | 40.45 | 125.12 | 71.87 |
| EBITDA | 7.93 | 12.79 | 15.43 | 20.73 | 23.55 |
| EBITDA Margins % | 10.93% | 18.10% | 31.01% | 14.48% | 26.48% |
| Interest Cost | 0.73 | 0.49 | 0.73 | 1.22 | 1.16 |
| Depreciation and Amortisation | 1.81 | 1.79 | 1.73 | 3.60 | 3.36 |
| Profit Before Taxes | 5.39 | 10.51 | 12.97 | 15.91 | 19.03 |
| Profit After Taxes | 3.66 | 7.52 | 11.68 | 11.18 | 17.10* |

CLICK HERE to view the financial results - https://www.bseindia.com/xml-data/corpfiling/AttachLive/48d8fa54-0979-4a2a-b16e-6e6f496b9ecf.pdf

Y-O-Y (H1 FY22 vs H1 FY21)

61.00%

H1FY22 Revenue from Operations at INR 143.18 crores as compared to INR 88.93 crores in H1FY21

11.77%

H1FY22 EBITDA at INR
20.73 crores as
compared to INR 23.55
crores in H1FY21

16.40%

H1FY22 PBT at INR
15.91 crores as
compared to INR 19.03
crores in H1FY21

34.62%

H1FY22 Profit After Tax at INR 11.18 crores as compared to INR 17.10 crores in H1FY21.

12.16 after adjusting profit from sale of Khemli unit. Actual drop in PAT ~ 8%

Q-o-Q (Q2 FY22 vs Q2 FY21)

02.66% A

Q2FY22 Revenue from Operations at INR 72.53 crores as compared to INR 70.65 crores in Q1FY21

37.99% Q2FY22 EBITDA at INR 7.93 crores as compared to INR 12.79 crores in Q1FY21

48.72%Q2FY22 PBT at INR
5.39 crores as
compared to INR 10.51

crores in Q1FY21

Q2FY22 Profit After Tax at INR 3.66 crores as compared to INR 7.52 crores in Q1FY21. Higher taxation provision on account of normal taxation as compared to MAT

Financial Statement Summary

CONSOLIDATED BALANCE SHEET

Figures in INR Crores

| PARTICULARS | H1 FY22 | FY21 |
|-------------------------|---------|--------|
| Shareholder Fund | 183.44 | 173.18 |
| Non Current Liabilities | 55.60 | 21.85 |
| Current Liabilities | 95.38 | 68.67 |
| Total Liabilities | 334.49 | 263.71 |
| Non Current Assets | 222.34 | 148.56 |
| Current Assets | 112.15 | 115.15 |
| Total Assets | 334.49 | 263.71 |

CWIP

Capital Work in Progress stood at INR 93.08 crores.

LT Borrowings

Long term borrowings increased to INR 52.79 crores in H1FY22 as against INR 19.15 crores in FY21.

ST Borrowings

The higher input costs and volumes led to increased working capital requirement. Short term borrowings increased to INR 14.06 crores as against INR 7.90 crores in FY21

Earnings Presentation Consolidated Cashflow Statement

Financial Statement Summary

CONSOLIDATED CASH FLOW STATEMENT

| Figures in IN | IK (| croi | res |
|---------------|------|------|-----|
|---------------|------|------|-----|

| PARTICULARS | H1 FY22 | H1 FY21 |
|--|---------|---------|
| Cash Flow from Operating Activities | 16.35 | 14.57 |
| Cash Flow from Investing Activities | -55.13 | -13.43 |
| Cash Flow from Financing Activities | 36.48 | -5.44 |
| Net Increase / Decrease In Cash And Cash Equivalents | -2.31 | -4.30 |
| Cash and Cash Equivalents at Beginning of the Period | 3.92 | 8.31 |
| Cash and Cash Equivalents at End of the Period | 1.61 | 4.02 |

Earnings Presentation Management Remarks

Management Remarks

FINANCIAL PERFORMANCE:

- The Company recorded a strong growth in revenues in Q2FY22 as the revenues increased by 61.00% to INR 72.53 crores as against INR 49.77 crores in Q4FY21. The growth revenues is attributable to higher realisations and moderate increase in volumes.
- The EBITDA margins and profitability suffered on account of sharp increase in the prices of raw materials and freight. The Company also incurred higher employee expenses with increase in team size to support the expansion plans.
- The taxation provisioning increased during the half year ended, as the Company now falls under the normal taxation instead of MAT.

| PARTICULARS | Q2 FY22 | Q1 FY21 |
|----------------|---------|---------|
| Export sales | 32% | 29% |
| Domestic sales | 68% | 71% |

SEGMENT PERFORMANCE:

- The company recorded strong performance in speciality chemicals segment despite the challenging operating environment. The Company remains confident about passing on the increasing input costs to the customers in this segment.
- The commodity segment of the boron business continued to face a challenging environment with availability of raw materials being a roadblock. However the company continues to witness traction on the specialty part of the boron business.
- This was a challenging quarter for the bulk chemicals as the higher input costs resulted in lower margins and profitability of the segment.

OPERATING ENVIRONMENT:

- The raw material prices continue to be on an upswing. However, the price increase will be passed on to the consumer with a lag of a quarter in the speciality chemicals segment.
- The freight and logistics cost continue to escalate. This will also be passed on to the consumer, however, with a lag of a quarter.
- The outlook for the speciality chemicals remains strong as the Company is witnessing strong demand from domestic as well as export customers.

| PARTICULARS | Q2 FY22 |
|---|---------|
| Sale of specialty chemicals including exports | ~64% |
| Sale of bulk chemicals | ~36% |

Earnings Presentation Update on Capex

Update on Capex

| Debottlenecking at Roha | Multipurpose plants at Dahej | Bulk chemicals at Dahej | Specialty chemicals at Dahej | Intermediates Plant at Dahej |
|---|--|--|--|---|
| The company will invest ~ INR 10 crores on this project. | The company invested INR 10 crores in 2 multipurpose plants at the Dahej facility. | The company will be investing INR 50 crores in adding incremental capacity in bulk chemicals segment. | The company will invest INR 20 Crores in a dedicated plant at Dahej facility. | The company will invest INR 20 crores for expansion to manufacture intermediates for pharmaceutical and agrochemical industry. |
| Complete | Complete | Excessive rains in Dahej resulted in delay. However, the Company is in process on commissioning this plant | The company will use this facility for contract manufacturing. The products to be manufactured and other details remain confidential as the company has signed an NDA. | This project is expected to complete by Q4FY22 |
| The capacity utilisiations will further ramp up in Q3FY22 | The capacity utilisiations will further ramp up in Q3FY22 | The plant is expected to begin commercial production shortly and will start contributing to the financials Q3FY22 onwards | The plant is expected to begin commercial production by Q4FY22 | The company had earlier decided to invest this amount in Sulfones. However with a downturn in the international markets for the product category, the plan has been put on hold |

Earnings Presentation Get in Touch

Get in Touch

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Officer

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